



**U.S. Department of Justice**

*United States Attorney  
District of New Hampshire*

---

*Federal Building  
55 Pleasant Street, Room 352  
Concord, New Hampshire 03301*

*603/225-1552*

**MEDIA RELEASE**  
**For Immediate Release**  
**October 26, 2004**

**Contact: Thomas P. Colantuono**  
**United States Attorney**  
**Arnold H. Huftalen**  
**Assistant U.S. Attorney**  
**(603) 225-1552**

**FOUR MEN SENTENCED IN NEW HAMPSHIRE FOR SOFTWARE  
PIRACY AS PART OF NATIONWIDE CRACKDOWN**

**CONCORD, NEW HAMPSHIRE:** United States Attorney Tom Colantuono and Kenneth W. Kaiser, Special Agent in Charge of the Boston Field Office of the Federal Bureau of Investigation announced today that **JORDAN ZIELIN**, of Brooklyn, NY, formerly a Systems Engineer at the Bank of America in Boston, MA, **KENNETH WOODS**, of Warrantown, VA, **DANIEL McVAY**, of North Easton, MA, and **DAVID FORESMAN**, of Lombard, IL, have been sentenced in U.S. District Court for their roles in a nationwide software piracy conspiracy.

On October 12, 2004 in Los Angeles, CA, Attorney General John Ashcroft released the "Report of the Department of Justice's Task Force on Intellectual Property" which addressed the alarming rise of intellectual property crimes adversely impacting on our economy. Upon releasing the report, the Attorney General stated:

"Intellectual property theft is a clear danger to our economy and the health, safety, and security of the American people," said Attorney General Ashcroft. "The enforcement of our intellectual property laws is among the highest priorities of the Justice Department, and I created the Intellectual Property Task Force to explore ways for us to strengthen our protection of the nation's valuable intellectual resources. With the recommendations put forward by the Task Force, the Department is prepared to build the strongest, most aggressive legal assault against intellectual property crime in our nation's history."

"I am confident that our nation's creative and intellectual resources will be better protected when the recommendations of the Task Force report are implemented. The Justice Department will have additional tools to fight movie theft and product counterfeiting," said U.S. Attorney Yang. "With the increased protection and new law enforcement resources, our nation's intellectual property will continue to enhance our daily lives and play a role in the continued growth of the American economy."

Intellectual property industries play a significant role in the American economy. They make up approximately six percent of the gross domestic product, employ more than five million people, and contribute \$626 billion to the U.S. economy. The increasing value of intellectual

property, coupled with the ease and low cost of copyright infringement, has significantly increased the destructive consequences of intellectual property theft.

Each of these four New Hampshire cases arises out of an FBI undercover operation known as “Operation Digital Piratez” run in New Hampshire by the Boston, MA, FBI Computer Squad. During the course of the operation, undercover agents infiltrated several Internet based computer servers, known as “warez servers” run by groups of software pirates, and secret Internet Relay Chat channels used by those involved to communicate in real time about their software piracy activities. Warez servers exist for the exclusive illegal purpose of storing, copying, and reproducing, world wide, copyright protected software. They serve no legitimate purpose.

The United States Attorney’s Office for the District of New Hampshire has been working with the FBI for the past four years to investigate and prosecute those involved in the intellectual property crime known as Internet based software piracy. Toward that end, in December of 2001, the FBI executed ten search warrants and obtained consent for additional searches on computers located in Florida, Georgia, Illinois, Iowa, Massachusetts, Minnesota, Nebraska, New Hampshire and Virginia. Since these seizures, agents have been analyzing computer data and conducting followup investigations to further identify those involved. Each of these defendants either owned, was a site operator for, or had some other managerial role in one or more of the targeted warez servers.

Four more individuals have been sentenced in federal court for their roles in illegal software piracy:

**JORDAN ZIELIN** had previously admitted that he was the primary manager, or “site operator” as known within software piracy circles, for the warez server known as ONLY THE FINEST WAREZ, which was located at the Bank of America in Boston, MA. **ZIELIN** was a Systems Engineer/Information Technology employee at the Bank of America and his criminal activity was conducted at the Bank of America using the bank’s computer systems and communication lines without the bank’s knowledge or permission. **ZIELIN** was sentenced to 6 months in prison followed by 2 years probation;

**KENNETH WOODS** had previously admitted that he had knowingly and intentionally connected a computer server known by the name SHAYOL GHUL, to Internet communications lines at his employer, Verio’s, business located in Sterling, VA. **WOODS** was sentenced to a three year term of probation after the court found that he played a minor role;

That server, SHAYOL GHUL, was owned by **DAVID FORESMAN**, who was sentenced to prison for three months followed by 2 years of supervised release;

**DANIEL McVAY** owned and operated a server known by the name CITY MORGUE which was located in North Easton, MA. **McVAY** was sentenced to one year in prison followed by 2 years supervised release. None of these defendants had any prior criminal record.

After the sentencing hearings, U.S. Attorney Colantuono, stated: “Many individuals and

companies, small and large alike in New Hampshire, are involved in the development and distribution of new software applications. Our federal copyright laws give those individuals and companies certain rights in intellectual property. Those who steal protected intellectual property, like the defendant and his co-conspirators, hurt not only those entrepreneurs who develop the software and rely upon sales of that software for their livelihood, but they also hurt all of society. This office and the FBI will continue to vigorously enforce the copyright laws as they apply to Internet based intellectual property here in New Hampshire. We are proud to be on the leading edge of the Department of Justice's new initiative to combat intellectual property crime and will continue in that role."

The "Report of the Department of Justice's Task Force on Intellectual Property" can be found on the United States Department of Justice web site at [www.usdoj.gov](http://www.usdoj.gov).

These cases were investigated by the Federal Bureau of Investigation Computer Squad in Boston, MA and were prosecuted by Assistant U.S. Attorney Arnold H. Huftalen with assistance from the U.S. Department of Justice, Computer Crimes and Intellectual Property Section in Washington, D.C.

# # #